

## Message Text

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ACTION EUR-12

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FM AMEMBASSY BUCHAREST  
TO SECSTATE WASHDC 0362

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E.O. 11652: N/A  
TAGS: BEXP, EEWT, RO  
SUBJECT: FIFTH SESSION, ROMANIAN-U.S. ECONOMIC COUNCIL

1. ROMANIAN-U.S. ECONOMIC COUNCIL HELD ITS FIFTH SESSION IN SINAIA ON JUNE 26-27, 1978. SESSION WAS WELL ATTENDED, DRAWING REPRESENTATIVES OF 30 U.S. FIRMS AND NUMEROUS ROMANIAN COMPANIES AND ECONOMIC ORGANIZATIONS. HIGH-RANKING USG AND GOR OFFICIALS ATTENDED AS WELL. COUNCIL ACTIVITIES RECEIVED GOOD NEWS MEDIA COVERAGE, PARTICULARLY ON COUNCIL MEMBERS' MEETING WITH PRESIDENT CEAUSESCU. COUNCIL ACTIVITIES BEGAN EVENING OF JUNE 25 IN BUCHAREST WITH RECEPTION FOR U.S. AND ROMANIAN SECTIONS HOSTED BY AMBASSADOR. DPM CORNEL BURTICA HEADED GROUP OF SOME 90 GOR OFFICIALS AND WIVES WHO ATTENDED.

2. FIRST DAY OF MEETINGS IN SINAIA DEVOTED TO REMARKS BY DPM BURTICA AND ASSISTANT SECRETARY GEORGE VEST (SEE STATE 154084). PRESENTATIONS WERE ALSO MADE ON U.S. ECONOMY, U.S.-ROMANIAN COOPERATION, ROMANIAN ECONOMIC

REFORMS, AND USG POLICY AFFECTING U.S.-ROMANIAN TRADE BY COUNCIL MEMBERS. AMBASSADOR READ MESSAGE SENT BY LIMITED OFFICIAL USE

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PRESIDENT CARTER TO SESSION. LUNCHEON REMARKS ON ROMANIAN ECONOMY AND U.S.-ROMANIAN TRADE WERE OFFERED BY DEPUTY MINISTER OF FOREIGN TRADE CONSTANTIN STANCIU IN ABSENCE OF MARGARITESCU WHO WE UNDERSTAND HAD REMAINED IN CANADA. ROMANIAN SPEAKERS ALL EMPHASIZED IMPORTANCE OF VISIT OF PRESIDENT CEAUSESCU TO U.S., IMPORTANCE OF EXTENDING MFN TREATMENT FOR ROMANIA,

1980 TRADE TARGET OF \$1 BILLION AND NEED FOR LONG-TERM COMMERCIAL RELATIONSHIPS WITH U.S. FIRMS. NEED TO SHORTEN THE NEGOTIATION PROCESS WAS MENTIONED BY BOTH SIDES, AS WELL AS IMPORTANCE OF CONTRACT FULFILLMENT. USG SPEAKERS DISCUSSED, INTER ALIA, U.S. SYSTEM OF EXPORT CONTROLS AND NOTED THAT ROMANIA IS TREATED AS FAVORABLY AS POSSIBLE. ALSO, MESSAGE SENT TO COUNCIL BY EXIMBANK CHAIRMAN MOORE WAS READ AT THIS SESSION.

3. SECOND DAY INCLUDED MEETING WITH PRESIDENT CEAUSESCU (REPORTED SEPTTEL), WORKING GROUP MEETINGS ON SIX TOPICS, AND CLOSING SESSION AT WHICH CGOFFENSIVE JOINT COMMUNIQUE AND TELEGRAM TO PRESIDENTS CARTER AND CEAUSESCU WERE SIGNED BY COUNCIL CO-CHAIRMEN ROSENTHAL AND VOLOSENIUC (COPIES POUCHED TO EUR/EE AND COMMERCE/BEWT). WORKING GROUP TOPICS INCLUDED; MACHINE BUILDING AND ELECTRONICS, THE CHEMICAL AND PETROCHEMICAL INDUSTRY, AGRICULTURE AND LIGHT INDUSTRY, SERVICE INDUSTRIES, MARKET ACCESS AND CONTRACT NEGOTIATION, AND COOPERATION IN THIRD MARKETS. WORKING GROUPS WERE WELL ATTENDED AND DISCUSSIONS WERE FRANK AND OPEN. AMONG TOPICS RECEIVING ATTENTION WERE: PRICE COMPETITIVENESS OF U.S. GOODS, OBSTACLES TO ROMANIAN EXPORTS IN THE U.S. MARKETS, IMPORTANCE OF CREDITS AND NEGOTIATION PROCESS. IN THIRD COUNTRY COOPERATION WORKING GROUP U.S. SECTION OF COUNCIL AGREED IN PRINCIPLE TO HOLD THIRD COUNTRY COOPERATION SEMINAR LIMITED OFFICIAL USE

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IN THE U.S. SOMETIME IN LATE OCTOBER.

4. JOINT COMMUNIQUE AND TELEGRAM TO PRESIDENTS CARTER AND CEAUSESCU REFLECT NO SIGNIFICANT NEW UNDERTAKINGS BY COUNCIL, BUT REFLECTED COUNCIL'S PROCEEDING IN EMPHASIZING CONTINUING STRONG SUPPORT FOR DEVELOPMENT OF U.S.-ROMANIAN TRADE AND COOPERATION AND EXTENSION OF MFN FOR ROMANIA AND RENEWAL OF U.S.-ROMANIAN TRADE AGREEMENT.

5. COMMENT. SUCCESS OF THIS SESSION OF COUNCIL IS BEST MEASURED IN IMPROVED LEVEL OF CAMARADERIE BETWEEN U.S. AND ROMANIAN SECTIONS, NOT IN SUBSTANCE OF FORMAL DISCUSSIONS. IN HOLDING MEETING OUTSIDE OF BUCHAREST AND AWAY FROM THE PRESSURES OF THEIR OFFICES, ROMANIAN SECTION MEMBERS AND OFFICIALS SEEMED MORE RELAXED, TTALKATIVE, AND ATTENTIVE. ALSO, FAMILIARITY THAT HAS NOW DEVELOPED BETWEEN SECTION MEMBERS THROUGH FIVE YEARS WAS EVIDENT IN WORKING GROUP MEETINGS, SOCIAL EVENTS AND INFORMAL COMMERCIAL DISCUSSIONS THAT TOOK PLACE THROUGHOUT SESSION. IN GENERAL, ATMOSPHERE WAS MORE RELAXED THAN IN ANY PREVIOUS COUNCIL SESSION, AND THIS RECEIVED FAVORABLE REACTION FROM U.S. SECTION MEMBERS. GOR'S STRONG SUPPORT FOR COUNCIL REFLECTED

IN CEAUSESCU'S ONE-HOUR MEETING WITH COUNCIL MEMBERS,  
AN EVENT WHICH RECEIVED EQUAL COVERAGE IN JUNE 28  
SCINTEIA FRONT PAGE WITH 36TH CMEA COUNCIL SESSION FOR  
CHIEFS OF GOVERNMENT.

6. INFORMAL CONTACTS OF COUNCIL MEMBERS PRODUCED  
FOLLOWING RESULTS KNOWN TO EMBASSY:

A. GE SIGNED FRAMEWORK AGREEMENT WITH SOME DOZEN  
FTOS WITH MFT AS SPONSOR.

B. MEETING BETWEEN DPM BURTICA AND SOHIO REPRESENTATIVE DURING WHICH PROGRESS WAS REPORTEDLY MADE  
ON ACRYLONITRILE TRADE DISPUTE.  
AGGREY

NOTE BY OC/T: TELEGRAM DELAYED IN TRANSMISSION.  
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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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